."RUSSIA'S ELECTIONS AND AMERICAN POLICY"

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Mr. Chairman, I appreciate the opportunity to discuss the Russian presidential election with you and your colleagues and to explore its implications for American policy. Nothing can do more to help us get our Russia policy right than regular consultation between Congress and the Administration.

Let me begin with the election results. Your program today includes some of our country's best commentators on post-Communist politics, to help you dig beneath the surface of the news. Yet even the headlines tell us a great deal about Russian politics after Boris Yeltsin.

The first headline is, of course, that the election happened. We witnessed a constitutional process, with multiple candidates, very high turnout, and -- according to the many international observers on the scene -- few procedural improprieties. I recall the confident forecast of a distinguished Russian analyst after the 1996 election, that

Russian voters would never again have the chance to pick their president at the polls. In the past decade, elections have become the only legitimate way to select Russia's leaders.

A second headline is that Russian voters showed even less interest than they did four years ago in returning the Communists to power. Mr. Zyuganov, the Communist standard bearer for the second time in a row, received two million fewer votes than he did in the first round in 1996, and eight million fewer than he did in the second round that same year.

A third headline: Russian politics, at least at the presidential level, remains the politics of personality. It revolves around individual leaders rather than around programmatic alternatives among which the voters choose. While rebuffing the Communist party, Russian voters have not transferred their allegiance to other parties. Polls indicate that that they turned to Mr. Putin because across the ideological spectrum voters were confident that *his* views were *their* views.

I would frame a fourth headline this way: The election displayed the strength of Russian democracy, but also its weaknesses. One of these was highlighted by the Putin camp's misuse of state television, to smear other candidates or to keep formidable rivals from entering the race. Speaking to the press on election night, Mr. Putin himself acknowledged that the opposition did not have equal access to the media -- a problem that is hardly unique to Russia, but no less serious for that. The emergence of genuinely independent media remains a real challenge in deepening democracy in Russia.

Fifth were signs of voter dissatisfaction. Yes, the Communist party's appeal is down, but on the day after his victory Mr. Putin acknowledged that he had to respond to the tens of millions of Russians who, in voting against him, were protesting their standard of living and economic prospects. Many of his own supporters, of course, were protest voters too, and he will need to answer to them as well.

Finally, while the Russian presidential campaign was conspicuously weak on substantive debate, one issue did more than any other to define Mr. Putin's political profile, and that was the war in Chechnya. In seeking the presidency he said many things that sounded positive to Western ears -- from his conciliatory remarks about NATO to his hints about how he would approach economic reform. But no statements on the campaign trail spoke as loudly as the Russian military campaign in Chechnya.

Mr. Chairman, we have by now all read many attempts to explain who Vladimir Putin really is. It can make for fascinating reading, but as a guide to his future actions it's probably a vain effort. We may learn who Mr. Putin has been, but who he *is* – and what place he will have in Russia's historic transition -- will increasingly be defined by what he *does*. We may learn less by digging into his biography than by digging into his in-box, to try to understand the political choices that he faces.

No issue is likely to bulk larger in Mr. Putin's in-box than promoting economic growth. Polls throughout the campaign indicated that this was the top issue on voters'

minds, and given the conditions in which Russians find themselves today it could hardly have been otherwise. Consider this: over 35% of Russia's population lives on just over one dollar a day. Rising oil prices and import substitution have rallied the Russian economy in the past year, and created a budget surplus, but it would quickly disappear if the price of oil dropped below $20 a barrel. Sustained growth will require much more structural reform and much more capital investment. To improve its investment climate, the new Russian government is going to have to fix its tax laws and banking system. Mr. Putin has promised quick action on investment legislation, the tax code and production-sharing agreements. He has every reason to do so.

An equally big problem in the Russian president's in-box is crime and corruption. Taking on this issue is good politics, since three of four Russians believe that too little progress has been made toward achieving the rule of law. But doing so also has real practical significance for a new president who wants to do his job. His ability to get things done, to get the bureaucracy to respond to his directives, depends on choking off corruption among officials at all levels. Mr. Putin has said new money laundering legislation will be one of his top priorities. Legislation is also needed to stem corruption and organized crime, but new laws alone will not be enough. Much work needs to be done to strengthen their enforcement.

Mr. Putin can hardly ignore a third set of issues in his in-box, involving security cooperation with the West. In the past decade such cooperative efforts have led to the deactivation of almost 5,000 nuclear warheads in the former Soviet Union, improved

security of nuclear weapons and materials at more than 50 sites, and permitted the purchase of more than 60 tons of highly enriched uranium that could have been used by terrorists or outlaw states. Today, that cooperation continues. Our Expanded Threat Reduction Initiative will help Russia tighten export controls, improve security over its existing weapons of mass destruction, and help thousands of former Soviet weapons scientists to participate in peaceful research projects with commercial applications.

The U.S. and Russia have also been partners in developing the foundations of a stronger non-proliferation regime. Russia's transfer of dangerous technology and know-how to Iran has not been fully turned off, but we have made some progress. We believe Mr. Putin and his team understand how this problem can undermine our ability to cooperate across the board.

Strategic arms control is one issue in Mr. Ptuin's in-box that has already shown movement, with the scheduling of a Duma vote on START II for this Friday. Since last summer's G-8 summit in Cologne, we have held discussions with the Russians on START III reductions and changes in the ABM Treaty. Ratification of START II would move us closer to real negotiations, on deeper reductions in Russian and American nuclear forces and on countering the new threats we face while preserving the security of both sides.

Mr. Chairman, on economic and security issues alike, Mr. Putin's in-box suggests the many opportunities before us for enhanced Russian-American cooperation. The conflict in Chechnya, however, casts a long shadow over these opportunities. When I

appeared before this committee on November 4, I said that we did not dispute Russia's right to combat a terrorist insurgency, but that we could not let this fact blind us to the human cost of the conflict. Today the numbers speak for themselves: a quarter of a million people displaced, thousands of innocent civilians dead or wounded, and thousands of homes destroyed. It will take decades and millions of dollars to rebuild Chechnya.

Allegations about atrocities by Russian forces have only strengthened the concerns that I raised here last November about the Russian Government's commitment to human rights and international norms. In response to persistent pressure from the U.S. and other western nations, Russia has agreed to grant ICRC access to detainees, agreed to reestablish an OSCE Assistance Group in Chechnya and agreed to add Council of Europe experts to the staff of Russia's new human rights ombudsman for Chechnya.

These steps are a start, but only a start, and speedy follow-on measures are essential. The UN Commission on Human Rights is seized with the issue of Chechnya this week, and its deliberations will test whether Russia is prepared to respond to international concerns. The U.S. has supported High Commissioner for Human Rights Mary Robinson's call for an independent Russian commission of inquiry into human rights violations, bolstered by the participation of experts from international organizations. Such a commission could investigate allegations, prepare a public report and refer cases to prosecutors for action. We have urged the Russian government to

embrace this proposal, and take credible steps showing that it will actually enforce international standards of accountability.

Mr. Chairman, leadership change in Moscow does not alter the premises of American policy. We continue to see an historic opportunity to add to our security, and that of our allies, by reducing Cold War arsenals, stopping proliferation, building a stable and undivided Europe, and supporting the democratic transformation of Russia's political, economic, and social institutions. As President Clinton has said, a new Russian leader committed to these goals, and to the international norms on which they rest, will find in the United States an eager and active partner.